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March 1, 2012

## ***FILED VIA ECFS***

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W., Room TW-B204  
Washington, D.C. 20554

**Re: WC Docket No. 09-197; WC Docket No. 11-42**

Madam Secretary:

Budget PrePay, Inc. (“Budget PrePay” or “Company”) respectfully submits this supplement to its Petitions for Limited Designation as an Eligible Telecommunications Carrier (“ETC”) (“Petitions”) for ten states.<sup>1</sup> Pursuant to the FCC’s Order in the *In the Matter of Lifeline and Link Up Reform and Modernization* (“*Lifeline Reform Order*”),<sup>2</sup> Budget PrePay is simultaneously submitting its Compliance Plan.

Budget PrePay hereby clarifies its Petition as follows:

### Forbearance

Budget PrePay requests that the Commission forbear from applying the “own facilities” requirement of Section 214(e)(1)(A) of the Act, consistent with the Commission’s determination

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<sup>1</sup> ETC Petitions were filed with the Commission by Budget PrePay, Inc. on April 8, 2011 for the following states: Alabama, Connecticut, Delaware, District of Columbia, New Hampshire, New York, North Carolina, Tennessee, and Virginia. Public Notice, DA 11-815, May 2, 2011. An additional ETC Petition was filed with the Commission by Budget PrePay, Inc. for Florida on August 1, 2011. Public Notice, DA 11-1583, September 20, 2011.

<sup>2</sup> *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, rel. Feb. 6, 2012.

to forbear from applying this requirement to Lifeline-only applications that comply with the conditions set forth in the *Lifeline Reform Order*.<sup>3</sup>

#### Link Up Support

Budget PrePay hereby withdraws its request for Link Up support.

#### TracFone Comments

Budget PrePay respectfully requests that the FCC dismiss as moot the Comments filed June 1, 2011 by TracFone Wireless, Inc. (“TracFone”). In its Comments, TracFone asserted that the Petition should not be granted because Budget PrePay: (1) may not claim that it is “facilities-based” and (2) is not eligible for the Link Up program. Budget PrePay now seeks forbearance from the “own facilities” requirement. As a result, it is not relevant whether or not Budget PrePay is “facilities-based.” Budget PrePay has withdrawn its request for Link Up support. As a result, it is not relevant whether the Company is eligible for Link Up support.

#### Budget PrePay’s Lifeline Service Offering

The details of Budget PrePay’s two Lifeline offerings are set forth in Exhibit A to the Compliance Plan and reflect the new federal Lifeline subsidy support amounts that will be made available to eligible consumers and qualified ETCs. These plans replace the single plan set forth in Budget PrePay’s Petitions.

#### Compliance with Revised Section 54.101(a)

In its *Lifeline Reform Order*, the FCC revised § 54.101 to read as follows:

#### **§ 54.101. Supported Services for rural, insular and high cost areas.**

- (a) Services designated for support. Voice telephony services shall be supported by federal universal service support mechanisms. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911 systems ...; and toll limitation services to qualifying low-income consumers as described in subpart E of this part.

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<sup>3</sup> *Lifeline Reform Order* at ¶ 368. While Budget PrePay owns some facilities and appears to satisfy the revised supported services requirements applicable to ETCs, Budget PrePay is filing this Compliance Plan out of an abundance of caution, to illustrate its support for many of the recent reform measures taken by the Commission that attempt to curb waste, fraud and abuse in the Low Income Fund, and in the hopes that this filing will expedite processing of its pending ETC designation Petitions.

Budget PrePay complies with the revised version of Section 54.101, and provides the requisite supported services, as follows:

***Voice Grade Access.*** Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent. “Voice grade access” permits a telecommunications user to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal that there is an incoming call. Budget PrePay will provide its customers with “voice grade access” by enabling such customers to make and receive calls on the public switched telephone network.

***Minutes of Use for Local Service at No Additional Charge.*** Budget PrePay will provide its Lifeline customers with minutes of use for local service at no additional charge. Both of the Lifeline plans to be offered by Budget PrePay (as described more fully in Exhibit A to Budget PrePay’s Compliance Plan) will provide local usage at no additional charge to customers.

***Access to Emergency Services.*** Budget PrePay will provide access to emergency services in conformance with the FCC’s requirements. All of the phones that Budget PrePay will distribute to subscribers will be capable of delivering automatic numbering information (“ANI”) and automatic location information (“ALI”), and otherwise satisfy applicable enhanced-911 requirements.

***Toll Limitation.*** Budget PrePay will provide toll limitation services to qualifying low-income customers.

#### Additional Voluntary Commitments

Budget PrePay substitutes its Compliance Plan for the additional voluntary commitments set forth at pages 10 – 12 of its Petition.

#### Financial and Technical Qualifications

Budget PrePay, based in Bossier City, Louisiana, has been in business since 1996. Budget PrePay currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to tens of thousands of customers and employs approximately 340 people. Budget PrePay will not need to rely exclusively on USF support to provide wireless Lifeline services.

Budget PrePay owns and operates its own switching facilities in Dallas, Texas and Shreveport, Louisiana. These switching facilities are used to provide access to directory assistance and operator services, both of which are provided by Budget PrePay employees. The switching facilities are also used to provide access to some interexchange services (for the routing of certain domestic and all non-domestic) calls. In addition, Budget PrePay has invested

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millions of dollars in software development, including its own customized, user friendly point-of-sale software.

Budget PrePay has not been subject to any enforcement action at the FCC or in any state. No ETC designations held by Budget PrePay have been rescinded, revoked or terminated by the FCC or by any state.

Contact Person

Budget PrePay updates its contact person to work with FCC staff to resolve any complaints or other compliance matters:

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Expeditious Grant Requested

In light of these clarifications, Budget PrePay respectfully requests expeditious approval of its Petitions and its Compliance Plan so that the Company, upon designation as an ETC, may quickly begin providing essential Lifeline service to eligible low-income customers.

If you have any questions or require any additional information, please contact undersigned counsel directly.

Respectfully submitted,

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